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Title : Need to extend the time limit of excise benefits for setting up of Industries in Kutch, Gujarat.

SHRI P.S. GADHAVI (KUTCH): Sir, I may kindly be allowed to raise the following important issue during Zero Hour:

: Extension in the time limit for Excise benefits for setting up industries in Kutch.

In order to revive the economy of Kutch, devastated by a massive earthquake in 2001, GOI declared a Package for Excise benefits and GOG also declared a Package for Sales Tax benefits. Earlier, time-limit for setting up units was for 2 years which was subsequently, extended upto December 2004 and lastly upto December 2005. Kutch is a remote dry area with limited infrastructure and scanty rain. The region is frequently affected by natural calamities. Particularly, because of poor infrastructure, setting up a large industry in a limited time is too difficult. The State Govt. is therefore, representing to the GOI for extending the time limit upto December 2007 as also asking to make applicable, the liberal provisions as have been declared for Uttaranchal, Himachal Pradesh, Jharkhand and Sikkim. With vigorous efforts of the State Government, 180 projects with investment of Rs. 7900 Crore, have been commissioned, while 409 projects with

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*The speech was laid on the Table.

total investment of about Rs. 32000 Crore were yet under implantation on 31/12/2005. Though the GOI has extended the time limit till December 2005, the extension in such a piecemeal way, actually, does not help. Extension of time limit till December 2007 and applicability of liberal provision will give further boost to the economy of this remote dry region. If the time limit is not extended, some units might drop the projects and the state will suffer loss of the investment and employment opportunities. Therefore, State Government has also represented to extend it upto December 2007 only for pipeline cases. Hon'ble Chief Minister has written a letter to Hon'ble Finance Minister, Govt. of India on 3rd March, 2006.

I, therefore, urge upon the Govt. of India to kindly extend the time limit of excise benefits for setting up of industries in Kutch upto December 2007.